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Agenda Item 6b

November 15, 2011

TO: MEMBERS OF THE FINANCE COMMITTEE

- I. **SUBJECT:** Small Business and Disabled Veteran Business Enterprise Contract Participation, Fiscal Year 2010-11 Annual Report
- II. **PROGRAM:** Operations Support Services Division
- III. **RECOMMENDATION:** Information Only
- IV. **ANALYSIS:**

The purpose of this agenda item is to present the annual Small Business (SB) and Disabled Veteran Business Enterprise (DVBE) Participation for Fiscal Year July 1, 2010 through June 30, 2011. The SB/DVBE Contracting Activity Report Form (STD. 810) is due by August 1st of each year to the Department of General Services (DGS). The DGS then combines the statistical information for all state agencies and prepares the Consolidated Annual Report for the Legislature and the Governor's Office. The STD. 810 and the related improvement plans are included as Attachment A.

We are pleased to announce that CalPERS significantly increased its combined SB/DVBE participation in FY 2010-11 by 7.61 percent. Individually, the DVBE participation rate was 2.47 percent; and the SB participation rate was 19.23 percent. Although, CalPERS did not meet the contract participation goal of 3 percent for DVBE and 25 percent for SB; CalPERS combined SB/DVBE participation is the highest level CalPERS has ever reached. This was a tremendous achievement for CalPERS and could not have been accomplished without the support of all CalPERS staff.

Our commitment to diversity has and will continue to be a top priority. We continue to develop strategies to help strengthen the program. We have seen an increase in FY 2010-11 and foresee the trend to continue.

Disabled Veteran Business Enterprise Participation

During FY 2010-11, CalPERS achieved a total DVBE participation level of 2.47 percent, increasing slightly from 2.40 percent in FY 2009-10. Highlights for FY 2010-11 DVBE participation include:

- 6.07 percent for the procurement of IT goods and services
- 4.90 percent for the procurement of non-IT goods

Small Business Participation

During FY 2010-11, CalPERS achieved a total SB participation level of 19.23 percent, significantly increasing by 7.54 percent from FY 2009-10. Highlights for FY 2010-11 SB participation include:

- 55.51 percent for the procurement of IT goods and services
- 21.55 percent for the procurement of non-IT goods

The following chart summarizes CalPERS SB/DVBE participation for the past three years.

Fiscal Year	SB %	DVBE %	Cumulative %
FY 2010-11	19.23%	2.47%	21.70%
FY 2009-10	11.69%	2.40%	14.09%
FY 2008-09	14.40%	1.69%	16.09%
Trend	Increasing	Increasing	Increasing

Accomplishments for FY 2010-11:

- CalPERS 2010-11 Annual Business Plan Objective 3.2 – Increase enterprise SB and DVBE contracting and purchasing by 2 percent.
 - CalPERS successfully surpassed this objective by increasing our SB/DVBE participation by 7.61 percent.
- Participated in outreach events and shared CalPERS message of supplier diversity with approximately 1,000 business representatives.
- Provided internal education to purchasing coordinators, contract managers, and all managers and supervisors at CalPERS; enhancing awareness and understanding of the SB/DVBE program.
- Developed new SB/DVBE Marketing Materials promoting the SB/DVBE program and how to do business with CalPERS.
- Provided personal assistance to uncertified businesses and encouraged and assisted them in getting certified through the Department of General Services State Small Business and Disabled Veteran Business Enterprise Certification program.
- Participated in bidder's conferences and provided network opportunities for SB/DVBE vendors.

Future Plans for FY 2011-12:

- As part of the 2011-12 CalPERS Business Plan Objective 3.2 – Institute policies and practices requiring office supplies be purchased from certified SB/DVBE vendors.
- Strengthening an internal campaign to further promote the program and encourage CalPERS staff to use certified SB and DVBE vendors for products and services, providing that products, services, pricing, distribution, and service levels are comparable.
- Continue to attend bidder's conferences to provide networking opportunities.
- Work with the program areas to identify SB/DVBE contract participation opportunities. Provide internal education and serve as a resource to various CalPERS programs.
- Participate in business tradeshow, conventions and events to promote CalPERS contracting opportunities (often partnering with the Department of Veteran's Affairs and/or the Department of General Services).

V. STRATEGIC PLAN:

This agenda item is in alignment with CalPERS Strategic Plan - Enterprise Goal II.; Foster a work environment that values quality, respect, diversity, integrity, openness, communication, and accountability.

VI. RESULTS/COSTS:

N/A

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